



# City of Loma Linda Official Report

Karen Gaio Hansberger, Mayor  
Floyd Petersen, Mayor pro tempore  
Robert Christman, Councilmember  
Stan Brauer, Councilmember  
Robert Ziprick, Councilmember

COUNCIL AGENDA: June 8, 2004  
TO: City Council  
VIA: Dennis R. Halloway, City Manager  
SUBJECT: Council Bill #R-2004-22 – Correcting the Appropriations Limit for  
fiscal year 2003-2004

## **RECOMMENDATION**

It is recommended that the City Council adopt Council Bill #R-2004-22.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
LOMA LINDA, CALIFORNIA ADOPTING AN AMENDED  
CITY APPROPRIATIONS LIMIT FOR FISCAL YEAR 2003-  
2004 IN ACCORDANCE WITH THE PROVISIONS OF  
DIVISION 9 OF TITLE 1 OF THE CALIFORNIA  
GOVERNMENT CODE

WHEREAS, Article XIII B of the Constitution of the State of California as proposed by the Initiative Measure approved by the people at the special statewide election held on November 6, 1979 and amended in June 1990 by the people of the State of California (Proposition 111), provides that the total annual appropriations subject to limitations of each local government shall not exceed the appropriations limit of such entity for the prior year adjusted for changes in the cost of living and population except as otherwise specifically provided for in said Article; and

WHEREAS, the State Legislature added Division 9 (commencing with Section 7900) to Title 1 of the Government Code of the State of California to implement Article XIII B of the California Constitution; and

WHEREAS, Section 7910 of the Government Code provides that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following fiscal year pursuant to Article XIII B at a regularly scheduled meeting or a noticed special meeting and that fifteen days prior to such meeting, documentation used in the determination of the appropriations limit shall be available to the public; and

WHEREAS, Proposition 111 as approved by the voters of the State of California, requires a recorded vote of the City Council regarding which of the annual adjustment factors have been selected each year; and

WHEREAS, Section 7902(a) of the Government Code sets forth the method for determining the appropriations limit for each local jurisdiction for the 2003-2004 Fiscal Year; and

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WHEREAS, the City Council of the City of Loma Linda wishes to revise the appropriations limit for fiscal year 2003-2004 for the City of Loma Linda, California;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Loma Linda, California, as follows:

SECTION 1. That it is hereby found and determined that the documentation used in the determination of the appropriations limit for the City of Loma Linda for Fiscal Year 2003-2004 was available to the public in the Finance Department of said City at least fifteen days prior to this date.

SECTION 2. That the growth in California Per capita income and County of San Bernardino Population have been selected for Fiscal Year 2003-2004.

SECTION 3. That the City of Loma Linda reserves the right to change or revise any growth factors associated with the calculation of the Proposition 111 limit if such changes or revisions would result in a more advantageous appropriations limit including non-residential assessed valuation data not currently available.

SECTION 4. That the appropriations limit for the City of Loma Linda as amended in accordance with Section 7902(a) of the California Government Code is \$24,449,759 as set forth in "Exhibit A" included herewith.

PASSED, APPROVED AND ADOPTED this 8th day of June 2004 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

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Karen Gaio Hansberger, Mayor

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Pamela Byrnes-O'Camb, City Clerk

EXHIBIT "A"  
GANN APPROPRIATIONS LIMIT - FISCAL YEAR 2003-2004

Article XIII B of the California State Constitution, commonly referred to as the Gann Initiative or Gann Appropriations Limit, was adopted by California voters in 1980 and placed limits on the amount of proceeds of taxes that state and local governmental agencies can appropriate and spend each year.

The limit is different for each agency and changes each year. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in the base Fiscal Year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. Inflationary adjustments are, by law, based on increases in the California per capita income or the increase in non-residential assessed valuation due to new construction. Population adjustments are based on city population growth or county population growth. The annual adjustment factors used in making this calculation are the cost of living adjustment - CPI based on the percentage change in California per capita income and the population adjustment based on the annual population change for the County of San Bernardino.

For Fiscal Year 2003-2004, the City of Loma Linda's estimated tax proceeds to be received as well as tax proceeds appropriated as set forth in the 2003-2004 budget will, as in prior years, continue to be substantially under the legal limit. As established by the following calculations, the City of Loma Linda's appropriations limit for Fiscal Year 2003-2004 is \$24,449,759.

Fiscal Year 2002-2003 Appropriation Limit		\$23,294,397
A.	Cost of living adjustment (based on change in CA per capita income)	1.0231
B.	Population adjustment (based on San Bernardino County population change)	1.0259
	Aggregate Change Factor (A x B)	<u>1.0496</u>
	Increase in appropriation limit	<u>1,155,362</u>
	Fiscal Year 2003-2004 Appropriation Limit	<u>\$24,449,759</u>